

INFORMATION INDUSTRY

Q3 2014 :: Mergers and Acquisitions Trend Report

Q3 2014 KEY HIGHLIGHTS

- SAP's acquisition of Concur Technologies for \$7.6 billion was the highest value strategic deal in Q3 2014.
- Vista Equity Partners' acquisition of TIBCO Software for \$4.0 billion was the largest private equity transaction in Q3 2014.
- Both of these deals occurred in the Business Software segment, which consists of software designed for general business practices and not specific vertical industries.
- Strategic acquisitions year-to-date represented 86 percent of total volume and 73 percent of total value, respectively.

Q3 2014 KEY TRENDS

- Total transaction volume in Q3 2014 declined by 14 percent over Q2 2014, from 1,015 to 868.
- Total transaction value in Q3 2014 rose by 31 percent over Q2 2014, from \$48.7 billion to \$63.9 billion.

MULTIPLES & VALUE TRENDS

- Both the median revenue and EBITDA multiple moved slightly from 2013 through the 1st 3 Quarters of 2014.
- The median revenue multiple increased from 2.1x to 2.4x, while the median EBITDA multiple shifted from 11.2x to 11.0x.

M&A Market Dynamics By Quarter

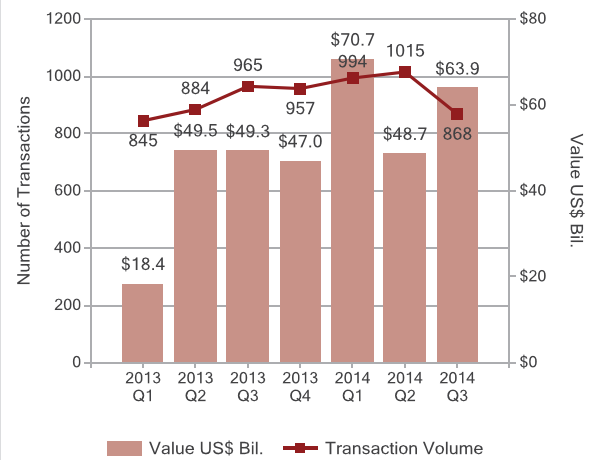


Figure 1. 2013-2014 value and volume comparison.

Median Enterprise Value Multiples

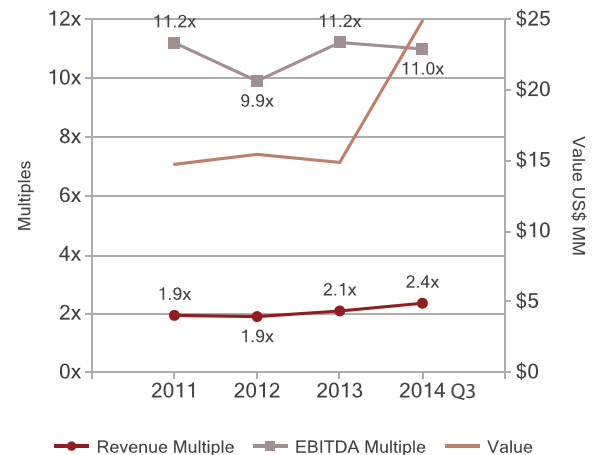


Figure 2. 2011-2014 median value, revenue, EBITDA comparison through Q3 2014.

Top Ten Notable Transactions - 1st 3 Quarters 2014

Deal Date	Target Name	Buyer	Value MM US\$
02/19/14	WhatsApp	Facebook	\$19,468
09/18/14	Concur Technologies, Inc.	SAP America, Inc.	\$7,603
06/23/14	MICROS Systems, Inc.	Oracle Corporation	\$4,426
06/16/14	Advantage Sales and Marketing	Leonard Green & Partners, L.P., CVC Capital Partners	\$4,200
09/29/14	TIBCO Software Inc.	Vista Equity Partners	\$3,952
07/28/14	Trulia, Inc.	Zillow, Inc.	\$2,908
09/15/14	TriZetto	Cognizant Technology Solutions	\$2,700
03/03/14	Catalina	Berkshire Partners LLC	\$2,500
09/15/14	Mojang AB	Microsoft Corporation	\$2,500
06/13/14	OpenTable	Priceline	\$2,361

2014 Aggregate Transaction Value \$183,078

Top 10 Aggregate Transaction Value \$52,618

Top 10 Aggregate Value as a Percentage of All Transactions 29 %

Figure 3. Lists the top ten transactions for the 1st 3 Quarters of 2014 and calculates their aggregate transaction value as a percentage of the total aggregate transaction value.

Note: Transaction data based on announced date.

TOP TEN DEALS THROUGH Q3 2014

The top ten deals by value have seen five new additions since our half year report. In terms of Niche Software, which is targeted to specific vertical industries, the largest Healthcare transaction in Q3 2014 and year-to-date was Cognizant Technology Solutions' acquisition of TriZetto.

These five transactions, with an aggregate value of \$19.7 billion, represented 11 percent of transaction value in the 1st 3 Quarters of 2014 and 31 percent of Q3 2014 transaction value in the Information Industry.

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All charts in this report are based on data gathered by Berkery Noyes' research department. All time period statistics are based on the transaction announcement date.

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